

Material Change Report

1. **Name and Address of Company** - Seprotech Systems Incorporated, 2378 Holly Lane
Ottawa, Ontario, K1V 7P1
2. **Date of Material Change** – June 27, 2011
3. **News Release** – News Release issued June 24, 2011 at Ottawa, Ontario
4. **Summary of Material Change** – Seprotech Systems Incorporated (TSX-V: SET; “Seprotech” or the “Company”) reports on June 24, 2011, the award of a government contract with the Canadian Department of National Defence (“DND”) valued at up to \$14 million over 5 years.
5. **Full Description of Material Change** – Seprotech Systems Incorporated (TSX-V: SET; “Seprotech” or the “Company”) announces the award of a 2-year contract worth \$2.8 million annually, which has yearly extension options of \$2.8 million annually for a further 3 years. The potential total value of the contract over 5 years is \$14 million. The final amount spent in any given year, is at DND’s discretion, such amount varying according to military needs.
6. **Reliance on subsection 7.1(2) or (3) of National Instrument 51-102** – Not Applicable.
7. **Omitted Information** – The undersigned is not aware of any information of a material nature that has been omitted.
8. **Executive Officer** – Mr. Ian W. Malone, Chief Financial Officer of the Issuer is knowledgeable about the material change and this report. He can be contacted at 613-523-1641, extension 12.
9. **Date of Report** – Dated at Ottawa, Ontario this 27th day of June, 2011.